

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF OREGON
PORTLAND DIVISION

FLIR Systems, Inc.)	
an Oregon Corporation,)	
)	
Plaintiff,)	No. CV-10-971-HU
)	
v.)	
)	
Sierra Media, Inc, a)	OPINION AND ORDER
Washington Corporation; Fluke)	
Corporation, a Washington)	
Corporation,)	
Defendants.)	

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8

9 HUBEL; Magistrate Judge,
10

11 Plaintiff FLIR Systems, Inc. brought claims against Defendant
12 Fluke Corp. and its media consultant, defendant Sierra Media, Inc.
13 for (1) false advertising under the Lanham Act, 15 U.S.C. §
14 1125(a)(1)(B), (2) trade libel/commercial disparagement, (3)
15 intentional interference with prospective economic relations, (4)
16 civil conspiracy, (5) aiding and assisting, and (6) for declaratory
17 relief concerning an alleged trademark. Before the court are
18 defendants' motions to dismiss claims two, three, four, and five.
19 For the reasons set forth below, defendants motions are granted, in
20 part, and denied, in part.

21 Facts

22 Plaintiff FLIR Systems, Inc. is a business that designs,
23 manufactures, and markets thermal imaging cameras. Defendant
24 Fluke Corp. is a competitor of FLIR that manufactures and
25 distributes electronic test tools as well as thermal imaging
26 cameras. According to FLIR, Defendant Sierra Media, Inc. has had
27 a business relationship with Fluke for 15 years, and serves as
28 Fluke's media and marketing company. First Am. Compl. ¶ 10.

1 The present conflict between the parties stems from a video that
2 Fluke and Sierra created together.

3 In September 2009, Fluke and Sierra worked together to
4 create a video ("the Video") that compared "drop test" results of
5 thermal imaging equipment manufactured by Fluke to four competing
6 products, three of which were manufactured by FLIR. The video
7 shows products from the two companies dropping two meters onto a
8 concrete floor. In the video, the Fluke equipment bounces, but
9 appears to remain intact. The other products appear to either
10 break or have battery covers come off and batteries eject, or
11 both. There are no spoken words in the video, although
12 periodically text appears embedded in the video. In order, the
13 text reads: "Fluke thermal imagers. Rugged. 5 thermal imagers.
14 2 meter drop. Solid concrete floor. All products subjected to
15 identical tests by third party. Fluke Ti32-17 drops and
16 counting... The ONLY rugged thermal imager. Why waste money on
17 tools that break? Get a demo today. 1-800-760-4523.

18 www.fluke.com/demo." The video is found on YouTube at
19 <http://www.youtube.com/watch?v=bFFpWq9h5Ls>.

20 Immediately below the Video, on YouTube, the words, "View
21 our Test Methodology here: <http://bit.ly/cxlvBB> - Fluke
22 Thermography contracted a 3rd party to perform and film this drop
23 test video." The Test Methodology link leads to a PDF of
24 document titled Thermal Imager Drop Test Video Methodology, which
25 is printed on letterhead reading "sierra media digital media
26 production and post," and is dated January 20, 2010. It reads,
27 in part,
28 ///

1 Sierra Media was contracted under Fluke Corporation to
2 perform and film an independent, third party drop test,
3 and warrants that the following test was executed under
4 controlled conditions:

5 Products tested:

6 - Flir I-7 Thermal Imager, Flir I-60 Thermal
7 Imager, Flir T-400 Thermal Imager, Fluke Ti32
8 Thermal Imager, Testo 880-3 Thermal Imager.

9 - All imagers were new or like-new, with no prior
10 usage in commercial or industrial environments.
11 Certifications and serial numbers are on file.

12

13 Methodology:

14 - All thermal imager drops occurred during a 12
15 hour period in the same location under a
16 controlled environment

17 - All imagers were dropped multiple times from a
18 height of 2 meters off a drop mechanism to the
19 same location on a solid concrete floor

20 - All imagers were placed on the drop mechanism as
21 consistently as their form factor allowed (T-400 and I-
22 60 were placed on their bottoms and the I-7, Ti32 and
23 Testo 880-1 on their sides)

24 Daniel A. Cardenas
25 Producer/Director

26 Daniel Cardenas is a director at Sierra.

27 According to FLIR, "In the Video, Fluke and Sierra represent
28 to FLIR and Fluke customers and potential customers that
independently designed, conducted, and filmed tests were
conducted by Sierra. Sierra knew the representation was
false-Fluke controlled the design of the test and participated in
the editing of the Video." First. Am. Compl. ¶ 13. FLIR alleges
that Sierra allowed Fluke to create and revise the testing
methodology and put it on Sierra's letterhead, while representing
that Sierra was an "independent, third party." Id. FLIR further

1 alleges that Sierra's founder, Daniel Cardenas, was aware of this
 2 when he signed a methodology document and permitted it to be
 3 published together with the Video.

4 In general, FLIR alleges that Fluke and Sierra
 5 selectively edited the video to make it seem like Fluke cameras
 6 survive falls to the floor, and competing products like FLIR's
 7 always break.

8 FLIR alleges it lost prospective clients because of the
 9 video. Specifically, FLIR alleges,

10 [I]n August 2010, FLIR lost a sale to a Fortune 100
 11 company as a direct result of the video. Specifically,
 12 an employee at this Fortune 100 company was required by
 13 his superior to purchase the Fluke Camera rather than
 14 one of the FLIR Cameras because, after watching the
 15 Video, the employee's boss stated that FLIR's cameras
 16 are 'way too sensitive if they get dropped.' In
 17 addition, two other potential customers—a building
 18 inspection company and a heating and air conditioning
 19 company—have indicated that because of the Video they
 20 may purchase a Fluke Camera rather than a FLIR
 21 Camera[.]

22 First Am. Compl. ¶ 40.

23 Standard

24 A motion to dismiss under Rule 12(b)(6) will be granted if
 25 plaintiff fails to allege the “grounds” of his “entitlement to
 26 relief.” Bell Atlantic Corp. v. Twombly, 550 U.S. 544, 555, 127
 27 S. Ct. 1955, 1964-65 (2007) (quotation omitted) (abrogating
 28 Conley v. Gibson, 355 U.S. 41, 45-46 (1957) and its test that “a
 complaint should not be dismissed for failure to state a claim
 unless it appears beyond doubt that the plaintiff can prove no
 set of facts in support of his claim”). The plaintiff must plead
 affirmative factual content that “allows the court to draw the
 reasonable inference that the defendant is liable for the
 misconduct alleged.” Ashcroft v. Iqbal, -- U.S. --, 129 S. Ct.

1 1937, 1949 (2009). The affirmative factual content requirement
2 demands "more than labels and conclusions, [or] a formulaic
3 recitation of the elements of a cause of action." Twombly, 550
4 U.S. at 555. "In sum, for a complaint to survive a motion to
5 dismiss, the non-conclusory 'factual content,' and reasonable
6 inferences from that content, must be plausibly suggestive of a
7 claim entitling the plaintiff to relief." Moss v. United States
8 Secret Serv., 572 F.3d 962, 969 (9th Cir. 2009) citing Iqbal, 129
9 S. Ct. at 1949.

10 Discussion

11 Both Fluke and Sierra move to dismiss the claims for trade
12 libel, intentional interference, and civil conspiracy. Sierra
13 alone moves to dismiss the aiding and assisting claim.

14 Before delving into the claims at issue, however, it is
15 necessary to explain that the court, in evaluating the motions to
16 dismiss, considered, for context, the Video at issue and the
17 methodology document that accompanied it under the "incorporation
18 by reference" rule. "In doing so, [the court] deviate[d] from
19 the general rule that courts, when ruling on a motion to dismiss,
20 must disregard facts that are not alleged on the face of the
21 complaint or contained in documents attached to the complaint.
22 Knievel v. ESPN, 393 F.3d 1068, 1076 (9th Cir. 2005). This
23 approach is permissible under the "incorporation by reference"
24 doctrine, which permits the court to take into account documents
25 "whose contents are alleged in a complaint and whose authenticity
26 no party questions, but which are not physically attached to the
27 plaintiff's pleading." Id.

28 The video and the methodology document are found at

1 <http://www.youtube.com/watch?v=bFFpWq9h5Ls> and
2 <http://bit.ly/cxlvBB>, respectively.

3 I. Count Two: Trade Libel/Commercial Disparagement

4 This court has previously held, "To prevail on its state law
5 trade libel claim, plaintiff must prove that defendant published
6 false allegations regarding [the plaintiff] with malice, and that
7 plaintiff has, as a result, suffered special damages or pecuniary
8 harm." Soloflex, Inc. v. NordicTrack, Inc., No. CV 93-545-JE,
9 1994 WL 568401, at *13 (D. Or. Feb. 11, 1994) (citing Woodard v.
10 Pacific Fruit & Produce Co., 165 Or. 250, 106 P.2d 1043, 1045
11 (1940)). Thus, to state a claim for trade libel, the plaintiff
12 must allege that the defendant (1) published (2) one or more
13 false allegations (3) pertaining to plaintiff, (4) with malice,
14 and (5) as a result, (6) the plaintiff suffered damages. False
15 allegations means "false . . . statements." Woodard, 165 Or. at
16 255.

17 FLIR argues that Fluke and Sierra published at least two
18 false statements. First, FLIR alleged in the Complaint the
19 falsity of the statement that Sierra conducted an "independent,
20 third party drop test." Second, FLIR alleges that the statement,
21 "Fluke Ti32-17 drops and counting... The ONLY rugged thermal
22 imager," displayed after the video shows the FLIR cameras
23 breaking and the Fluke camera bouncing, states falsely that FLIR
24 cameras break immediately when dropped, but Fluke cameras can be
25 dropped over and over without breaking. Fluke and Sierra argue
26 that FLIR alleges only omissions of facts they wish had been
27 included, such as how many times the FLIR cameras were actually
28 dropped before they broke. Fluke and Sierra contend that

1 omissions are not actionable.

2 An Oregon district court case Soloflex, Inc. v. NordicTrack,
3 Inc., No. CV 93-545-JE, 1994 WL 568401, at *13 (D. Or. Feb. 11,
4 1994), illustrates the contours of what must be alleged to state
5 a claim for trade libel.

6 In Soloflex, Inc., the plaintiff, a maker of home exercise
7 equipment, sued defendant NordicTrack, Inc., a competitor,
8 alleging that defendant's infomercials were too similar to
9 plaintiff's infomercials. 1994 WL 568401, at *1. One of the six
10 claims against defendant was for common law trade libel. Id.
11 The defendant moved for summary judgment against plaintiff's six
12 claims, and Judge Jelderks denied summary judgment on, among
13 others, the trade libel claim. Judge Jelderks discussed the
14 trade libel claim:

15 To prevail on its state law trade libel claim,
16 plaintiff must prove that defendant published false
17 allegations regarding Soloflex with malice, and that
18 plaintiff has, as a result, suffered special damages or
19 pecuniary harm. Woodard v. Pacific Fruit & Produce
20 Co., 165 Or. 250, 106 P.2d 1043, 1045 (1940).
Defendant argues only that plaintiff cannot meet this
burden because defendant has demonstrated the "truth"
of each and every advertising claim made by NordicTrack
and that every claim is backed up by substantial,
credible research.

21 Because I have found that questions of fact exist as to
22 whether defendant's advertising claims are false,
summary judgment cannot be granted on plaintiff's trade
23 libel claim. This court cannot rule as a matter of law
that defendant did not publish with malice or that
24 plaintiff has not suffered special damages or pecuniary
harm due to defendant's allegedly false advertising. I
25 therefore deny defendant's motion for summary judgment
on this claim.

26 Id. at *13-14. The claims under the Lanham Act and for trade
27 libel related to allegedly "false visual and textual
28 representations regarding the natural strength curve, and the

1 resistance curves of NordicFlex and Soloflex in relation to the
2 natural strength curve." Id. at *3-5. On defendant's motion for
3 summary judgment on the claims, defendant argued that plaintiff
4 could not prove the falsity of the claims and could not prove
5 that the statements were material and deceiving. Id. at *5. The
6 court simply concluded, "At issue are an array of expert opinions
7 offered by both sides. Those opinions offer experienced and
8 credible expertise regarding the exercise issues raised by
9 plaintiff in its false advertising claim. There are clearly many
10 disputed issues of material fact that prevent the entry of
11 summary judgment on this claim." Id. at *6.

12 Soloflex demonstrates that a trade libel claim can be based
13 on words, pictorial depictions, or some combination of the two.
14 Judge Jelderks denied summary judgment on a trade libel claim
15 that involved false visual and textual representations of a
16 strength curve, because he found that there were disputed issues
17 of fact about whether it was false. Oregon case law, therefore,
18 leaves open the possibility of a trade libel claim where part of
19 the statement is made through a video representation.

20 Defendants cite two cases, Auvil v. CBS 60 Minutes, 67 F.3d
21 816, 822 (9th Cir. 1995) and Pond v. Gen. Elec. Co., 256 F.2d
22 824, 828 (9th Cir. 1958), for the proposition that an omission
23 cannot serve as the basis for a trade libel claim. I agree with
24 defendants' premise that a bare omission cannot typically serve
25 as the basis for a trade libel claim, but reject their argument
26 at this early stage of this case. Construed liberally, the
27 language of FLIR's complaint alleges affirmative false statements
28 made by the video and the methodology document, not just

1 omissions.

2 The First Amended Complaint states that defendants contrived
3 "a commercial advertising campaign that falsely purports to
4 'compare' thermal imaging equipment manufactured by Fluke to
5 thermal imaging equipment manufactured by FLIR." First. Am.
6 Compl. ¶ 12. Elsewhere, the First Amended Complaint alleges
7 "defendants made false and disparaging representations about FLIR
8 and FLIR's products." Id. at ¶ 59. Plaintiff continued,
9 "Defendants published . . . false and deceptive statements and
10 representations concerning Fluke and FLIR's products, including
11 the false representation that, when dropped from a height of 2
12 meters onto a concrete floor, the FLIR Cameras broke apart upon
13 initial impact, whereas the Fluke camera remained intact and
14 operable." Id. at ¶ 60.¹ In addition, FLIR alleged, "Defendants
15 represent that "an independent 3rd party performed and filmed
16 this drop test," but "that representation was false" because
17 "Sierra is Fluke's longtime advertising company[.]" Id. at ¶¶
18 20, 21. FLIR alleged that an email from Fluke's marketing
19 manager stated the "Intent is to create the atmosphere of an
20 independent testing lab" and "to load these Videos to YouTube so
21 it looks like its coming from a user or independent source." Id.
22 at ¶ 25. Addressing its damages, FLIR alleged that it lost a
23 sale to a Fortune 100 company. Id. at ¶ 40.

24 The above allegations are sufficient allegations of trade
25

26 ¹ At oral argument counsel for Fluke stated that in at least
27 some of the video of FLIR imagers, the footage showing some
28 damage occurring was not on the first drop, but after multiple
drops.

libel under Iqbal and Twombly's requirements. Accordingly, Fluke and Sierra's motion is denied with respect to the trade libel claim.

II. Count Three: Intentional Interference with Prospective Economic Relations

"To state a claim for intentional interference with economic relations, a plaintiff must allege each of the following elements: (1) the existence of a professional or business relationship (which could include, e.g., a contract or a prospective economic advantage), (2) intentional interference with that relationship, (3) by a third party, (4) accomplished through improper means or for an improper purpose, (5) a causal effect between the interference and damage to the economic relationship, and (6) damages." McGanty v. Staudenraus, 321 Or. 532, 536, 901 P.2d 841, 844 (1995).²

Fluke argues that FLIR's First Amended Complaint fails to adequately state a claim for intentional interference because it does not allege that a relationship existed between FLIR and the unnamed potential customers in paragraph 40 of the First Amended Complaint, and because it does not allege that Fluke knew about the alleged relationship. FLIR responds that an actual relationship between it and the potential customer is not necessary, and that a prospective relationship, or expectancy of a relationship are all that are needed to state a claim.

FLIR cites Allen v. Hall, 328 Or. 276, 974 P.2d 199 (1999)

² The first element has also been stated as " the existence of a valid business relationship or expectancy." Uptown Heights Associates Ltd. Partnership v. Seafirst Corp., 320 Or. 638, 651, 891 P.2d 639, 646 (1995).

1 in support of its contention that a valid business relationship
2 need not exist at the time of the interference by a third party.
3 In Allen, relatives of a decedent brought an action in federal
4 court against will beneficiaries alleging intentional
5 interference with prospective inheritance. Id. The facts of the
6 case involved an elderly gentleman (the decedent) who required
7 in-home care and who wrote a first will leaving all his
8 possessions to his defendant caretakers, and nothing to the
9 plaintiffs. Id. at 279. Just days after executing his first
10 will, he wrote a draft of a second will that left possessions to
11 the plaintiffs. Id. The decedent, gravely ill, met with his
12 attorney and instructed him to change the will to leave
13 possessions to the plaintiffs. Id. When the second version of
14 the will was ready to be executed, the defendants prevented it
15 from happening by checking the decedent into the hospital,
16 falsely telling the attorney that decedent was not lucid to sign
17 a will, falsely claiming to have power of attorney over the
18 decedent, and otherwise obstructing the decedent from signing the
19 second will. Id. Decedent died within days, and the plaintiffs
20 sued the defendants for intentional interference with prospective
21 inheritance. Id. The Ninth Circuit eventually certified two
22 questions to the Oregon Supreme Court: "(1) Does Oregon recognize
23 the tort of intentional interference with prospective
24 inheritance? (2) If a tort action for intentional interference
25 with prospective inheritance is available, what are the elements
26 of that tort?" Id. at 278. The Oregon Supreme Court
27 reformulated the question as, "Have plaintiffs in this case, who
28 have brought a tort action based on a theory that defendants

1 wrongfully interfered with a prospective inheritance that
2 otherwise would have gone to plaintiffs, alleged facts which, if
3 proved, would form a basis for relief under Oregon law?" Id.
4 The court held that the answer was "Yes." Id. It began by
5 explaining

6 Under Oregon law, an intentional interference with a
7 prospective inheritance may be actionable under a
8 reasonable extension of the well-established tort known
9 as intentional interference with economic relations.
10 Although, heretofore, this court has applied that tort
11 only to contractual and business relationships and
prospects, we are persuaded that the tort also may, by
a reasonable and principled extension, be made
applicable to some noncommercial relationships and
prospects, such as the one alleged by plaintiffs in the
present case.

12 Id. at 281. The court based its reasoning on "the very close
13 analogy that exists between an expectancy of inheritance and
14 those other interests to which this court already has extended
15 the protections of the tort of intentional interference with
16 prospective economic advantage." Id. The court did not,
17 however, delve into the type of relationship required to fulfill
18 the first element of a claim for intentional interference with a
19 prospective business relationship. The entirety of its
20 discussion on this point reads, "plaintiffs have alleged facts
21 that satisfy the first element of the tort, viz., the existence
22 of a prospective economic advantage in the form of a prospective
23 inheritance." Id. at 285.

24 Allen does not, however, extend the first element of a claim
25 for intentional interference to a relationship that might happen
26 with just anyone. Rather, Allen concerns a testator who wished
27 to leave assets to specific plaintiffs, directed a draft document
28 to be prepared indicating as much, met with his attorney and

1 instructed him to carry out his wishes, and then was blocked from
2 completing his wishes by a third party. These facts show parties
3 who evidenced an intent to enter into a specific testator-
4 beneficiary relationship, but were blocked from doing so by a
5 third party. I find another case more helpful in understanding
6 the required nature of the relationship which will support this
7 claim.

8 In Oregon Life and Health Ins. Guar. Ass'n v. Inter-Regional
9 Financial Group, Inc., 156 Or. App. 485, 498, 967 P.2d 880, 887
10 (1998), the Oregon Court of Appeals explained the relationship
11 element:

12 To proceed on its . . . claim, plaintiff must establish
13 first that there was a contractual or business
14 relationship between plaintiff and a third party in
15 which defendant interfered. See McGanty v.
16 Staudenraus, 321 Or. 532, 535, 901 P.2d 841 (1995)
17 (listing that factor as one of five elements); see also
18 Uptown Heights Associates Ltd. Partnership v. Seafirst
19 Corp., 320 Or. 638, 651, 891 P.2d 639 (1995) (same).
20 In other words, *the tort does not protect the business*
21 *expectations of a single entity; it protects the*
22 *contractual or business relationship between a*
23 *plaintiff and a third party. See McGanty*, 321 Or. at
24 536, 901 P.2d 841 (stating that the "tort serves as a
25 means of protecting contracting parties against interference in
26 their contracts from outside parties" (emphasis in original));
27 see also Lewis v. Oregon Beauty Supply Co., 302 Or. 616, 622, 733
28 P.2d 430 (1987) (holding that the "salient inquiry in any
interference claim is whether defendant's tortious conduct
damaged plaintiff's economic or contractual relationship," which
could occur by "defendant's interference causing a third person
to *discontinue* the relationship with plaintiff."
(emphasis added).

24 The intent of this tort, therefore, is to protect both
25 parties to a prospective business relationship from a third party
26 who would interfere. This is different from inducing a potential
27 customer who has had no contact with the plaintiff, whether
28 initiated by the customer or the plaintiff, to purchase a

1 competing product rather than plaintiff's product. Moreover, the
2 Court of Appeals' use of the word "discontinue" indicates that
3 some kind of relationship must exist prior to the action that
4 allegedly interferes and causes a third person to discontinue
5 that relationship. FLIR's comments at oral argument seem to
6 suggest it is such a large player in the thermal imager market
7 that anyone who buys one from any supplier, whether or not the
8 buyer ever had contact with FLIR, is someone with a sufficient
9 relationship with FLIR to support this tort. That is not the law
10 in Oregon.

11 The First Amended Complaint states that "FLIR had
12 prospective economic relationships with various potential
13 customers, including a Fortune 100 company, a building inspection
14 company, a heating and air conditioning company, and others."
15 First. Am. Compl. ¶ 74. It specifies,

16 In August 2010, FLIR lost a sale to a Fortune 100
17 company as a direct result of the Video. Specifically,
18 an employee at this Fortune 100 company was required by
19 his superior to purchase the Fluke Camera rather than
20 one of the FLIR Cameras because, after watching the
21 Video, the employee's boss stated that FLIR's Cameras
22 are "way too sensitive if they get dropped." In
23 addition, two other potential customers—a building
24 inspection company and a heating company and a heating
25 and air conditioning company—have indicated that
because of the Video they may purchase a Fluke Camera
rather than a FLIR Camera: "the 'Drop Test' has got me
sold on Fluke unless you can convince me otherwise" and
"we did meet with Robert Levy of Fluke (RJM Sales) last
night. We looked at the TIR unit, and were impressed
by its ruggedness and large screen. He showed us a
video of drop tests of the FLIR and Fluke products,
where the Fluke bounced and the FLIR's broke . . . very
impressive."

26 Id. at ¶ 40.

27 These allegations, however, lack a statement specifying that
28 FLIR and the unnamed prospective customers or others had any sort

1 of business relationship prior to the customer seeing the Video.
2 The absence of such a statement is fatal to this claim.

3 Fluke argues that even if such a relationship did exist, the
4 absence of an allegation that Fluke knew about it and
5 intentionally interfered is also fatal to the claim. The Oregon
6 Court of Appeals has explained that a defendant "must have known
7 of the plaintiff's prospective relationship and intentionally
8 interfered with that relationship." United Employer Ben. Corp.
9 v. Department of Ins. and Finance of State of Or., 133 Or. App.
10 477, 487, 892 P.2d 722, 728 (1995). FLIR argues that it was not
11 necessary to plead Fluke's knowledge specifically because it was
12 obvious that "Fluke knew that every potential customer for
13 thermal imaging cameras is a prospective customer for FLIR."
14 Pl.'s Response Def.'s Mot. Dismiss at 19. Again, I disagree.

15 The mere possibility that a person or business might buy a
16 product from FLIR in the future is not enough, alone, to create a
17 business relationship for the tort at issue, nor to establish the
18 defendants' knowledge of and intent to interfere with the
19 relationship. Accordingly, defendants motion to dismiss FLIR's
20 claim for intentional interference with a business relationship
21 is granted.

22 III. Count Four: Civil Conspiracy

23 A civil conspiracy is two or more persons' concerted action
24 to accomplish an unlawful purpose, or to accomplish some purpose
25 not in itself unlawful by unlawful means. Osborne v. Fadden, 225
26 Or. App. 431, 437, 201 P.3d 278, 282 (2009). "It is not a
27 separate tort or basis for recovery but, rather, a theory of
28 mutual agency under which a conspirator becomes jointly liable

1 for the tortious conduct of his or her coconspirators." Id. "To
2 establish a civil conspiracy, petitioners must establish (1) Two
3 or more persons; (2) an object to be accomplished; (3) a meeting
4 of the minds on the object or course of action; (4) one or more
5 unlawful overt acts; and (5) damages as the proximate result
6 thereof." Id. "The primary purpose of a conspiracy must be to
7 cause injury to another." Bonds v. Landers, 279 Or. 169, 175,
8 566 P.2d 513, 516 (1977). Where a civil conspiracy claim is
9 based on alleged misrepresentation, the elements must be plead
10 with particularity pursuant to FRCP 9(b). See Wasco Prods., Inc.
11 v. Southwall Techs., Inc., 435 F.3d 989, 990 (9th Cir. 2006).

12 Fluke and Sierra argue the civil conspiracy claim must be
13 dismissed because FLIR has not adequately plead a "meeting of the
14 minds" or that the primary purpose of the alleged conspiracy was
15 to harm FLIR.

16 FLIR responds that the facts set forth in the complaint are
17 sufficient to infer a meeting of the minds. FLIR points to its
18 allegations that (1) Sierra was retained and paid by Fluke to
19 assist in the design, creation, and publishing of the Video,
20 First Am. Compl. ¶¶ 10, 85; (2) Sierra had served as Fluke's
21 media and marketing company for 15 years, First Am. Compl. ¶ 10;
22 (3) Fluke and Sierra acted as a "team" during production of the
23 Video, First Am. Compl. ¶¶ 15, 30; (4) Sierra knew that the
24 depiction of the FLIR and Fluke cameras in the video did not
25 accurately reflect durability, and yet published the video
26 anyway, and (5) as a result of publishing the Video, FLIR lost
27 sales. First Am. Compl. ¶¶ 15, 18, 19, 30, 39, 40, 60, 61. FLIR
28 argues that, taken together, these allegations are sufficient to

1 alleged the elements of civil conspiracy and to show that Fluke
2 and Sierra had a meeting of the minds that the purpose of the
3 Video was, in part, to disparage FLIR's cameras.

4 Fluke and Sierra respond that the meeting of the minds
5 requirement pertains to agreement to accomplish the unlawful
6 acts-in this case, intentionally interfering with FLIR's economic
7 relationships or making a knowingly false statement about FLIR in
8 the drop test video. They argue that an agreement to make a
9 promotional video that has the purpose of giving Fluke a
10 competitive advantage in the marketplace is different than a
11 conspiracy to make false statements about FLIR.

12 I have dismissed the intentional interference claim. The
13 underlying issue here is whether the allegation that Fluke and
14 Sierra's had knowledge that the video results pertaining to
15 FLIR's products were false, is sufficient to state a claim that
16 Fluke and Sierra conspired to commit trade libel. I am persuaded
17 that, at this stage of the proceedings, such allegations are
18 sufficient. I have held, above, that FLIR's trade libel claim
19 survives because the allegations of the complaint are sufficient
20 state a claim that the words and depictions in the video,
21 together with the methodology document, could be construed to
22 make a knowingly false statement about FLIR's products. This
23 being the case, there is little doubt that FLIR's allegations
24 sufficiently state that FLIR and Sierra consciously worked
25 together to achieve the joint purpose of promoting Fluke's
26 products while simultaneously making a false statement about
27 FLIR's products. Accordingly, the motion to dismiss FLIR's claim
28 for civil conspiracy is denied.

1 IV. Count Five: Aiding and Assisting

2 FLIR's claim for aiding and assisting, which is directed at
3 defendant Sierra only, is sufficient for the reasons stated above
4 with regard to its claim for civil conspiracy.

5 Accordingly, Sierra's motion to dismiss FLIR's claim for
6 aiding and assisting is denied.

7 **CONCLUSION**

8 Defendant Fluke's and defendant Sierra's motions to dismiss
9 [doc. # 40, 42] are granted, in part, and denied, in part.

10 IT IS SO ORDERED.

11 Dated this 10th day of May, 2011.

12
13 /s/ Dennis J. Hubel

14 _____
15 Dennis James Hubel
16 United States Magistrate Judge
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